

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAR 16 2006

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL OF)
THE TRANSFER OF CONTROL OF)
ALLTEL KENTUCKY, INC. AND)
KENTUCKY ALLTEL, INC. AND FOR)
AUTHORIZATION TO GUARANTEE)
INDEBTEDNESS)

CASE NO. 2005-00534

Notice of Filing of Decision of Mississippi
Public Service Commission

Kentucky Alltel, Inc., Alltel Kentucky, Inc., Alltel Communications, Inc., Alltel Holding Corp., Valor Communications Group and Alltel Holding Corporate Services, Inc. ("Applicants") give notice of the March 15, 2006 decision of the Mississippi Public Service Commission in *In Re: Joint Application of Alltel Corporation, Alltel Mississippi, Inc., Alltel Communications, Inc., Alltel Holding Corp., Valor Communications Group, Inc and Alltel Holding Corporate Services, Inc. for the Approval of the Transfer of Control of Alltel Mississippi, Inc. and the Transfer of Certain Assets of Alltel Communications, Inc., Including Its Long Distance Customer Base and Certificate of Public Convenience and Necessity to Operate as a Reseller of Interexchange Telecommunications Services throughout Mississippi*, Case No. 2005-UA-0722 (March 15, 2006) approving the transfer of control of Alltel Mississippi, Inc. and the transfer of the long distance resale customers of Alltel Communications, Inc..

In approving the transfer of control and the transfer of long distance resale customers the Mississippi Commission found, *inter alia*, that:

(a) “Based upon the information provided in the Application and Exhibits thereto, the Merged Wireline Business will have the necessary financial security as it does today.”¹

(b) “The Merged Wireline Business will continue to be managed by capable, experienced executives and employees, many of whom are transferring from Alltel to the Merged Wireline Business.”²

(c) “Separating the Wireline Business into an independent, stand-alone corporate structure and merging with Valor should allow the Merged Wireline Business to enhance both strategic flexibility and financial and operational opportunities.”³

(d) “Alltel Corporation, Alltel Holding Corp. and Valor Communications Group, Inc. are qualified to consummate this separation and merger.”⁴

(e) “The proposed merger is in the best interest of the public, is being proposed in good faith, meets the public convenience and necessity”⁵

Dated: March 16, 2006.

¹ Order, *In Re: Joint Application of Alltel Corporation, Alltel Mississippi, Inc., Alltel Communications, Inc., Alltel Holding Corp., Valor Communications Group, Inc and Alltel Holding Corporate Services, Inc. for the Approval of the Transfer of Control of Alltel Mississippi, Inc. and the Transfer of Certain Assets of Alltel Communications, Inc., Including Its Long Distance Customer Base and Certificate of Public Convenience and Necessity to Operate as a Reseller of Interexchange Telecommunications Services throughout Mississippi*, Case No. 2005-UA-0722 at ¶ 16 (March 15, 2006).

² *Id.* at ¶ 17.

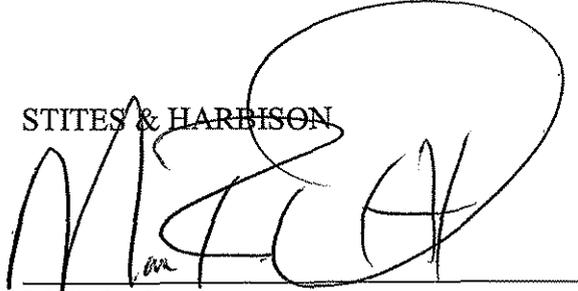
³ *Id.* at ¶ 19.

⁴ *Id.* at ¶ 20.

⁵ *Id.* at ¶ 22.

Respectfully submitted,

STITES & HARBISON

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', is written over a horizontal line. The signature is stylized and somewhat cursive, with a large loop at the end.

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CERTIFICATE OF SERVICE

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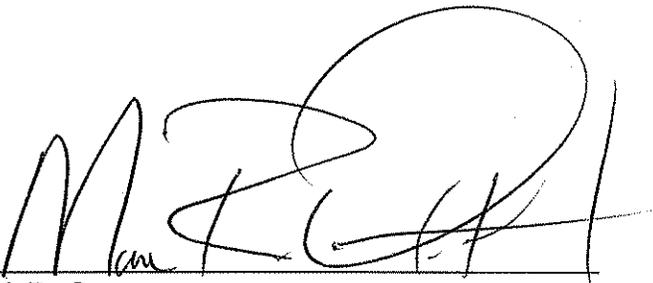
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on this the 16th day of March, 2006.



Mark R. Overstreet

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

ALLTEL CORPORATION

2005-UA-0722

IN RE: JOINT APPLICATION OF ALLTEL CORPORATION, ALLTEL MISSISSIPPI, INC., ALLTEL COMMUNICATIONS, INC., ALLTEL HOLDING CORP., VALOR COMMUNICATIONS GROUP, INC. AND ALLTEL HOLDING CORPORATE SERVICES, INC. FOR APPROVAL OF THE TRANSFER OF CONTROL OF ALLTEL MISSISSIPPI, INC. AND THE TRANSFER OF CERTAIN ASSETS OF ALLTEL COMMUNICATIONS, INC., INCLUDING ITS LONG DISTANCE CUSTOMER BASE AND CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO OPERATE AS A RESELLER OF INTEREXCHANGE TELECOMMUNICATIONS SERVICES THROUGHOUT MISSISSIPPI

ORDER

HAVING COME ON for consideration of the Application for Approval of Transfer ("Application") filed with the Mississippi Public Service Commission on December 21, 2005, seeking approval for transfer of control of ALLTEL Mississippi, Inc. (ALLTEL Mississippi) and the transfer of long distance resale customers of ALLTEL Communications, Inc. ("ALLTEL Communications") (the ILEC and long distance resale businesses collectively, "the Wireline Business") from ALLTEL Corporation ("ALLTEL") to the entity resulting from the merger of ALLTEL Holding Corp. and Valor Communications Group, Inc. ("Valor"), and ALLTEL Holding Corporate Services, Inc., respectively. The Commission, being fully apprised in the premises and having considered the documents, pre-filed testimony, and record before it, as authorized by law and the Commission's Public Utilities Rules of Practice and Procedure, and upon recommendation of the Public Utilities Staff finds as follows:

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1. The Commission has jurisdiction to enter this Order, and entry hereof is in the public interest.
2. Due and proper notice of the Application was given as required by law and by the Commission's Public Utilities Rules of Practice and Procedure.
3. There were no intervenors nor protestants of record in this matter before the Commission.
4. ALLTEL is the holding company for ALLTEL Mississippi and ALLTEL Communications. ALLTEL is not an operating entity and therefore is not certificated as a public utility.
5. ALLTEL Mississippi is a Mississippi corporation certificated by this Commission to provide local exchange services and is a wholly-owned subsidiary of ALLTEL, with corporate offices located at One Allied Drive, Little Rock, Arkansas. ALLTEL Mississippi received its certification in Docket No. U-4426.
6. ALLTEL Communications, Inc. is a Delaware corporation certificated by this Commission as a long distance reseller and is a wholly-owned subsidiary of ALLTEL. ALLTEL Communications received its certification in Docket No. 96-UA-136.
7. ALLTEL Mississippi and ALLTEL Communications, together with ALLTEL's other subsidiaries, currently provide wireless, long distance, internet, broadband, directory publishing, telecommunications equipment and local communications services in numerous states.

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8. ALLTEL Holding Corp., a Delaware corporation, is a newly-formed subsidiary of ALLTEL. Upon the separation of ALLTEL's Wireline Business from its wireless businesses, ALLTEL Holding Corp. will become the owner of the Wireline Business and then merge into Valor. ALLTEL Holding Corp. is not seeking authority to become a regulated telecommunications carrier or public utility.

9. ALLTEL Holding Corporate Services, Inc., a Delaware corporation, is a newly-formed subsidiary of ALLTEL seeking authority to become the owner of ALLTEL Communications' current long distance resale business and Certificate of Public Convenience and Necessity issued in Docket No. 96-UA-136.

10. Valor is a Delaware corporation and is the owner of local exchange operating companies in four (4) other states.

11. ALLTEL is separating its Wireline Business from its wireless business and merging the Wireline Business with Valor.

12. ALLTEL will first transfer ownership of ALLTEL Mississippi and ALLTEL's other incumbent local exchange company subsidiaries to ALLTEL Holding Corp.

Likewise, certain assets of ALLTEL Communications' long distance resale business, its customer base and Certificate of Public Convenience and Necessity, will be transferred to ALLTEL Holding Corporate Services, Inc., which will become a wholly-owned subsidiary of ALLTEL Holding Corp. The ownership of ALLTEL Holding Corp. then will be transferred from ALLTEL to ALLTEL's shareholders, thereby establishing ALLTEL Holding Corp. (with its subsidiary, ALLTEL Holding Corporate Services, Inc.) as a stand-alone holding company.

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13. In the final step of this process, ALLTEL Holding Corp. will merge into Valor, a holding company with its own local exchange company subsidiaries, resulting in the "Merged Wireline Business". Following this merger, the shareholders of ALLTEL will own 85% of the Merged Wireline Business, and the shareholders of Valor will own 15%.

14. At the conclusion of this merger, the Merged Wireline Business will adopt a name and corporate logo that is presently being determined.

15. A copy of the Agreement and Plan of Merger ("Merger Agreement") between ALLTEL, ALLTEL Holding Corp. and Valor was attached as Exhibit "1" to the Application.

16. Financial information regarding the Merged Wireline Business was filed with the Application as Exhibit 7. Based upon the information provided in the Application and exhibits thereto, the Merged Wireless Business will have the necessary financial security as it does today.

17. Information regarding the officers, directors, and management of ALLTEL and Valor was filed with the Application as Exhibit "6." The Merged Wireline Business will continue to be managed by capable, experienced executives and employees, many of whom are transferring from ALLTEL to the Merged Wireline Business. The Merged Wireline Business will continue to receive certain centralized management services and will be staffed by many of the same experienced and knowledgeable persons currently providing these services.

18. This merger involves the transfer of ALLTEL Communications' long distance customer base and Certificate of Public Convenience and Necessity to operate as a reseller of long distance services throughout the State of Mississippi (granted in Docket No. 96-UA-136) to ALLTEL Holding Corporate Services, Inc.

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19. Applicants have also requested the Commission's approval with respect to the change of control of the Wireline Business as described above. Separating the Wireline Business into an independent, stand-alone corporate structure and merging with Valor should allow the Merged Wireline Business to enhance both strategic flexibility and financial and operational opportunities.

20. ALLTEL Corporation, ALLTEL Holding Corp. and Valor Communications Group, Inc. are qualified to consummate this separation and merger.

21. The separation of ALLTEL's wireline and wireless interests and merger of its Wireline Business with Valor is in the public interest. This transfer of control should allow increased operational focus and customer attention.

22. The proposed merger is in the best interest of the public, is being proposed in good faith, meets the public convenience and necessity, and satisfies the requirements of Section 77-3-23 of the Mississippi Code of 1972, as amended, and Rule 8 of the Commission's Public Utilities Rules of Practice and Procedure.

Accordingly, this Commission having jurisdiction of the parties and the subject matter, and after having considered the Application and the documents in support thereof, and upon recommendation of the Public Utilities Staff, finds that the relief sought should be granted.

IT IS, THEREFORE, ORDERED that:

1. The transactions as set forth and proposed in the Application and exhibits thereto and as identified hereinafter are thereby approved.

(a) The transfer of ownership of ALLTEL Mississippi to ALLTEL Holding Corp. is hereby approved ;

(b) The transfer to ALLTEL Holding Corporate Services, Inc. of certain assets of ALLTEL Communications, Inc.'s long distance resale business, its customer base, and its Certificate of Public Convenience and Necessity granted in Docket No. 96-UA-136 are hereby approved; and

(c) The merger of ALLTEL Holding Corp. into Valor is hereby approved.

2. Upon completion of the proposed corporate merger, and the adoption of a name for the Merged Wireline Business, the parties shall so inform the Commission in writing that such has been accomplished and provide the corporate name.

3. This Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

Chairman Nielsen Cochran voted Aye; Commissioner Bo Robinson voted Aye
Dated this the 15th day of March, 2006.



MISSISSIPPI PUBLIC SERVICE COMMISSION

Nielsen Cochran
NIELSEN COCHRAN, Chairman

Bo Robinson
BO ROBINSON, Commissioner

ATTEST: A true copy.

Brian U. Ray
BRIAN U. RAY
Executive Secretary

Effective this the 15th day of March, 2006.

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